



FISCAL MEMORANDUM

HB 160 - SB 161

April 12, 2023

SUMMARY OF BILL AS AMENDED (006737): Decreases, from within the previous eight years to within the previous four years, the amount of time that an applicant for a server permit must not have been convicted of a felony offense involving theft, fraud, deceit, or intoxication, or of certain felonies or crimes relating to the sale of alcoholic beverages and controlled substances, or have not had an ownership interest in any licensee or permittee which has had its license or permit revoked by the issuing authority, to be an eligible applicant. Decreases, from within the previous five years to within the previous four years, the amount of time that an applicant for a server permit must not have had their server permit or any similar permit revoked to be an eligible applicant. Adds the use or threat of violence to a human being as an offense that makes applicants ineligible for a server permit, if committed within the previous eight years. Removes embezzlement as an offense that makes an applicant ineligible for a server permit.

ESTIMATED FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue – Exceeds \$400/FY23-24 and Subsequent Years/ABC Fund

Assumptions for the bill as amended:

- The Alcoholic Beverage Commission (ABC) reports that there are 144,269 active server permits in Tennessee, with 83,787 issued since the beginning of 2020.
- According to ABC, from October 2019 to November 2022, 177 applicants for a permit were denied due to criminal convictions.
- Considering the changes made for applicant eligibility for server permits in the proposed legislation, it can be reasonably assumed that at least additional 20 applicants annually will be eligible for server permits that would not be eligible otherwise.
- The cost for a 5-year server permit is \$20; therefore, the recurring increase in state revenue to the ABC as a result of the proposed legislation is estimated to exceed \$400 (\$20 x 20 applicants) in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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